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Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Financing of the United Nations Observer Mission in Georgia

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the financial performance of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2001 to 30 June 2002 (A/57/676) and on the proposed budget for the 12-month period from 1 July 2003 to 30 June 2004 (A/57/677). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information and clarifications.

2. UNOMIG was established by the Security Council in its resolution 858 (1993) of 24 August 1993. Since then, its mandate has been extended by the Council in various resolutions, the latest being resolution 1462 (2003) of 30 January 2003, by which it extended the mandate of the Mission until 31 July 2003.

I. Financial performance report for the period from 1 July 2001 to 30 June 2002

3. The General Assembly, by its resolution 55/267 of 14 June 2001, appropriated an amount of $27,896,341 gross ($26,175,806 net) for the maintenance of UNOMIG for the period from 1 July 2001 to 30 June 2002, inclusive of $816,452 gross for the support account for peacekeeping operations and $85,289 gross for the United Nations Logistics Base at Brindisi, Italy.

4. As indicated in part II.A of the performance report, expenditures for the period ended 30 June 2002 amounted to $25,284,600 gross ($23,535,500 net), resulting in

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an unencumbered balance of $1,710,000 gross ($1,847,200 net), i.e., 6.3 per cent (in gross terms) of the amount apportioned.

5. The comments of the Committee on individual objects of expenditure covered in the performance report can be found, where relevant, in the discussion of the proposed budget (see part IV below).

II. Information on performance for the current period

6. The Advisory Committee was informed that the cash position of the Mission as at 28 February 2003 was $1.7 million and that unliquidated obligations for the period from 1 July 2001 to 30 June 2002 amounted to $0.9 million. The total amount assessed on Member States for UNOMIG since its inception was $187.8 million as at 28 February 2003, against which the payments received amounted to $163 million, leaving an outstanding balance of $24.8 million.

7. The Advisory Committee was also informed that against the authorized staffing establishment of 135 military observers, 109 international staff and 177 national staff for UNOMIG for the period from 1 July 2002 to 30 June 2003, the posts encumbered as at 28 February 2003 were those of 116 military observers, 93 international staff and 176 national staff.

8. With regard to contingent-owned equipment, the Advisory Committee was informed that the amount reimbursed from the inception of the Mission to 28 February 2003 was $160,000, the estimated amount owed as at 28 February 2003 was $56,000, and unliquidated obligations amounted to $339,000. In respect of death and disability compensation, $426,000 had been paid as at 28 February 2003 for nine claims, three claims were pending, and unliquidated obligations amounted to $26,000.

9. The Advisory Committee was provided with expenditure data for the period from 1 July 2002 to 30 June 2003 as at 28 February 2003. Expenditure for the period amounted to $18,079,600 gross ($16,854,300 net) against an apportionment of $31,705,800 gross ($29,927,700 net). The breakdown of the expenditure is contained in annex I below.

III. Proposed budget for the period from 1 July 2003 to 30 June 2004

10. The proposed budget for the maintenance of UNOMIG for the period from 1 July 2003 to 30 June 2004 amounts to $30,958,500 gross ($28,964,700 net), exclusive of budgeted voluntary contributions in kind in the amount of $18,600, as indicated in part II.A of the report of the Secretary-General (A/57/677). The proposed budget represents a 2.4 per cent decrease ($747,300) in gross terms in relation to the apportionment for the current period ending 30 June 2003. As indicated in the table headed "Financial resources" in the summary of the report, the overall decrease of $747,300 reflects a decrease of $11,400 in military personnel costs, an increase of $182,100 in civilian personnel costs and a decrease of $918,000 in operational costs. Table 1 of part II.A of the report provides a breakdown of the proposed budget for UNOMIG by category of expenditure and variances in

requirements between the current budget of the Mission and the cost estimates for 2003/04.

A. Military personnel costs

11. The estimated requirements of $3,483,000 for military personnel would provide for 135 military observers, reflecting no change in the number of observers from the current financial period. The Committee notes that the actual average incumbency in the category of military observers during the period ended 30 June 2002 was 106, reflecting a vacancy rate of 21 per cent. The lower level of deployment of military observers contributed to savings of $373,500, or 9.9 per cent (see A/57/676, para. 5). The Committee was also informed, upon enquiry, that the estimated requirements for military observers for the period 2003/04 reflect a 15 per cent vacancy factor. **The Advisory Committee requests that in the future the Secretariat indicate in supplementary information provided to the Committee whether the lower deployment of military observers was related to difficulty in obtaining them or was due to other reasons; measures proposed to be taken to address the problem should also be provided to the Committee.**

12. The Secretariat clarified, upon enquiry, that the estimated requirements of $27,900 for military contingents relate to wet lease of contingent-owned medical equipment provided to UNOMIG.

B. Civilian personnel costs

13. The proposed staffing requirements for UNOMIG provide for an additional P-5 post for the Deputy Chief Military Observer and two additional posts in the category of national staff. **For the reasons given in its general report on peacekeeping operations (A/57/772), the Committee recommends against the P-5 post at this time.**

14. With regard to the proposed establishment of two national staff posts, the Committee notes from paragraphs 8 and 9 of the budget report (A/57/677) that one post is requested for an air operations assistant and the other is requested for an information technology clerk. The Committee notes that neither the proposed budget nor the additional information provided to the Committee by the Secretariat contains sufficient justification for the two posts. The Committee recalls also that in the context of its review of the budget submission for the current financial period, it did not recommend the establishment of a post of electronic data-processing assistant for the Communications and Information Technology Section (see A/56/887/Add.1, para. 25). No new information is given in support of the need to establish the post of information technology clerk. The Committee discussed the question of adequacy and deployment of staff at the Mission with the Chief Administrative Officer of the Mission and other representatives of the Secretary-General. **The Committee recommends that the current deployment and staff adequacy be kept under review to ensure optimum use of currently approved staff resources. Should additional needs be identified, the subsequent request should be made with full justification taking into account mandate implementation, the efficient use of the Organization's investment in technology and any potential for**

redeployment. Therefore, at this stage, the Committee does not support the establishment of the two national staff posts.

15. The proposed staffing for UNOMIG provides also for the upgrading of the General Service post of the Construction Supervisor to the P-2 level. The Committee recalls that in the course of its examination of the budget estimates for the current period, it had requested that a review be undertaken to determine the appropriate level of the post of the Construction Supervisor (see A/56/887/Add.1, para. 21). **On the basis of the information provided, the Committee has no objection to the proposed upgrading.**

C. Operational costs

16. The Committee notes that performance data for the period ended 30 June 2002 reflect an unencumbered balance of $203,400 under operational requirements, which resulted primarily from the cessation of air patrols for eight months following the helicopter crash on 8 October 2001, the non-purchase of some miscellaneous equipment, lower costs for contractual services, reduced requirements for medical supplies and lower expenditures for local medical examinations. The estimated requirements of $12,192,000 for operational costs for the period 2003/04, while reflecting an overall decrease of $918,000 compared with the current financial period, show resource growth under several budget lines, including general temporary assistance ($20,900, or 33 per cent), official travel ($79,700, or 13.7 per cent), information technology ($112,600, or 9.9 per cent) and miscellaneous supplies, services and equipment ($76,000, or 9.2 per cent).

17. The Committee is concerned that the travel requirements of $663,000 for UNOMIG for 2003/04 show significant growth ($79,700, or 13.7 per cent) compared with the current budget of $583,300, and even higher growth ($251,900, or 61.3 per cent) compared with the expenditure of $411,100 for the period ended 30 June 2002. No satisfactory justification was provided for the proposed increase. The Committee recalls that in the course of its review of the travel requirements of the Mission for the current financial period it expressed the opinion that "the Mission should review its travel requirements with a view to achieving economies" (A/56/887/Add.1, para. 28). Part V of the budget report (A/57/677) contains information on the implementation of requests and recommendations of the Advisory Committee; however, no indication is given that such a review has ever been undertaken. **The Committee reiterates its request and recommends against the requested resource growth of $79,700 for travel. Moreover, the Committee recommends that in implementing the travel programme of the Mission, priority be given to travel related to political consultations and within Mission areas.** The Committee's views on travel for training are contained in its general report on peacekeeping operations (A/57/772).

18. With regard to the estimated requirements of $1,254,900 for information technology, the Committee notes from the additional information provided by the Secretariat that $826,500 is proposed for the acquisition of information technology equipment, including 22 desktop computers, 34 laptop computers and 6 printers. According to a clarification provided by the Secretariat, the Mission would have as at 30 June 2003 a total of 370 computers (280 desktop and 90 laptop); proposed purchases would bring the total number of computers to 426. Taking into account

that the current number of authorized posts for the Mission is 421, including 135 military observers, the ratio of computers to staff would exceed 1 to 1. **The Committee is of the view that there is a potential for savings in this area.**

19. Significant growth in resource requirements compared with the current budget period is proposed for the acquisition of software packages ($22,500, or 15.6 per cent), information technology services ($56,500, or 251.1 per cent) and spare parts and supplies ($12,300, or 20 per cent). Moreover, a new provision of $108,600 is requested for licences, fees and rental of software, without any indication as to why there is a need for such expenditure. The Advisory Committee is not aware of any new information technology projects being implemented or considered for development by the Mission that might justify the proposed increase in the requirements referred to above. **The Committee requests that the information technology programme of the Mission be reviewed with a view to achieving economies by establishing its most effective and efficient configuration.**

20. The Committee observes that no satisfactory explanation was provided in the budget submission or in supplementary information prepared by the Secretariat for the increase of $76,000 for miscellaneous supplies, services and equipment. For example, no explanation was given for the 66.7 per cent increase in resource requirements for bank charges or for the 30.4 per cent increase for freight and related costs. **The Committee requests that such significant variances in resource requirements, both positive and negative, be more fully explained and justified in detail in future budget documents.**

21. The Advisory Committee recalls its previous observation that it was not convinced that the expense of procurement, installation and maintenance of the Carlog system in UNOMIG was cost-effective (see A/56/887/Add.1, para. 17). While the Committee was informed that the Carlog system, among its other uses, contributed to lowering the number of traffic accidents, since the software could be used to estimate the speed of the vehicles before an accident, **the Committee remains to be convinced of the cost-effectiveness of the system, and it therefore requests that the next budget submission provide information to this effect.**

22. The Advisory Committee was informed that following the helicopter crash on 8 October 2001 an investigation was conducted in accordance with International Civil Aviation Organization (ICAO) requirements by the relevant aviation authorities of the country of the helicopter's registration. The United Nations participated in this investigation as an accredited representative, in accordance with ICAO procedures. The accident was also investigated by the Department of Peacekeeping Operations, which is normal procedure in all accidents affecting aircraft under contract to the United Nations for use in peacekeeping missions. Aviation safety investigations of the type described above are conducted for the purpose of accident prevention. The Board of Investigation field report was completed on 26 October 2002. The Committee also notes from part V of the budget report (A/57/677) that it is the policy of the Organization to separate the functions of air operations and air safety. The Committee recalls that it had recommended the establishment of an air safety assistant post for the Mission when it reviewed the budget submission for the current financial period. The Committee was informed that recruitment was at an advanced stage. **The Committee expresses concern about the delay in the process of appointing an air safety assistant.**

23. The Committee notes from the supplementary information prepared by the Secretariat that the Mission envisages 1,980 flying hours for helicopters during the period 2003/04, compared with 2,700 flying hours for the current period. No information is provided in the budget submission or in the supplementary information prepared by the Secretariat on the use of aircraft by non-mission personnel and related reimbursement. **The Committee requests that this information be provided in the future.**

24. The Committee notes that because of the size of the Mission, there is no resident auditor at UNOMIG. The Committee was informed that the latest audit by the Office of Internal Oversight Services was carried out in July 2000 and that there were regular visits by external auditors. Expenditure for external auditing amounted to $67,800 for the period ended 30 June 2002, and the amounts of $61,500 and $69,000 have been allocated and estimated for 2002/03 and 2003/04 respectively. **The Committee welcomes this attention by external auditors.**

25. **The Committee observes that no information on contributions by the Government of Georgia under the status-of-mission agreement is included in the report. The Committee requests that this information be included in future budget submissions for the Mission.**

IV. Recommendations of the Advisory Committee

26. The action to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2000 to 30 June 2001 is indicated in paragraph 17 of the performance report (A/57/676). **The Advisory Committee recommends that the unencumbered balance of $1,710,000 gross ($1,847,200 net) for the period from 1 July 2001 to 30 June 2002 and the other income and adjustments for the period ended 30 June 2002, amounting to $977,000, be credited to Member States in a manner to be determined by the General Assembly.**

27. The actions to be taken by the General Assembly in connection with the financing of UNOMIG for the period from 1 July 2003 to 30 June 2004 are set out in paragraph 17 of the proposed budget (A/57/677). **The Advisory Committee recommends that the amount of $30,709,000 gross ($28,748,800 net) be approved for the maintenance of UNOMIG for the 12-month period from 1 July 2003 to 30 June 2004, and that that amount be assessed at a monthly rate of $2,559,083 gross ($2,395,733 net) should the Security Council decide to continue the mandate of the Mission.**

Annex

United Nations Observer Mission in Georgia: status of expenditure for the period from 1 July 2002 to 30 June 2003 as at 28 February 2003

(Thousands of United States dollars)

Category	*Apportionment (1)*	*Expenditure (2)*	*Unencumbered balance (3)=(1)-(2)*
I. Military and police personnel			
Military observers	3 466.5	2 242.5	1 224.0
Military contingents	27.9	27.9	-
Civilian police	-	-	-
Formed police units	-	-	-
Subtotal, line 1	**3 494.4**	**2 270.4**	**1 224.0**
II. Civilian personnel			
International staff	12 696.4	7 496.4	5 290.0
National staff	2 405.0	1 402.1	1 002.9
United Nations Volunteers	-	-	-
Subtotal, line 2	**15 101.4**	**8 808.5**	**6 292.9**
III. Operational costs			
General temporary assistance	63.3	72.2	(8.9)
Government-provided personnel	-	-	-
Civilian electoral observers	-	-	-
Consultants	-	-	-
Official travel	583.3	448.6	134.7
Facilities and infrastructure	2 584.7	1 528.5	1 056.2
Ground transportation	2 218.2	269.7	1 948.5
Air transportation	4 106.3	2 410.1	1 696.2
Naval transportation	-	-	-
Communications	1 484.2	1 207.7	276.5
Information technology	1 080.8	275.3	805.5
Medical	148.9	124.2	24.7
Special equipment	14.4	-	14.4
Miscellaneous supplies, services and equipment	825.9	664.4	161.5
Quick-impact projects	-	-	-
Subtotal, line 3	**13 110.0**	**7 000.7**	**6 109.3**
Gross requirements	**31 705.8**	**18 079.6**	**13 626.2**
Staff assessment income	1 778.1	1 225.3	552.8
Net requirements	**29 927.7**	**16 854.3**	**13 073.4**
Voluntary contributions in kind (budgeted)	-	-	-
Total requirements	**31 705.8**	**18 079.6**	**13 626.2**